

# **Residential Construction Practices**

## **Final Report to the Minister of Municipal Affairs**

**By the MLA-led Committee on Residential Construction Practices**

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**December 15, 2008**



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# Executive Summary

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In May 2008, Municipal Affairs Minister Ray Danyluk struck a Committee on Residential Construction Practices in Alberta. He assembled a team of senior government officials to conduct the review and appointed Thomas Lukaszuk, the Parliamentary Assistant for Municipal Affairs and MLA for Edmonton-Castle Downs, as head of the Committee.

The Committee reviewed existing materials and gathered stakeholder input on the findings of the 2007 Field Survey on Residential Construction Practices.

The Committee makes the following recommendations to the Minister of Municipal Affairs:

## **Accountability of the Construction Industry**

- 1) Builders should consider using qualified site superintendents for residential construction. The Government of Alberta, together with the residential construction industry, should explore the possibility of developing regulations requiring builders to have certified and qualified on-site superintendents.

## **Consumer Protection and Recourse**

2. a) The Government of Alberta, industry, municipalities and consumer groups should consider mandatory third party insurance backed warranty programs for residential construction to improve and extend coverage.
2. b) The Government of Alberta, together with industry, should examine the feasibility of issuing residential construction permits only to builders with third party insurance backed warranty coverage for the project or to owner-builders who meet certain criteria.

## **Appropriate Worker Certification and Skills Development**

3. With support from government, industry should develop and implement worker skill and knowledge programs.

## **Appropriate Inspection and Enforcement Processes**

4. a) The Safety Codes Council should review the Quality Management Plan inspection requirements for building envelopes and consider flexible approaches to risk management that would target building envelope inspections and other problem areas.
4. b) The roles and responsibilities of the safety codes officer (inspector) should be clarified for the public, industry and local government.
4. c) The roles and responsibilities of those involved in residential construction should be clarified for the public, industry and local government to coordinate and encourage the safe management of their activities under the *Safety Codes Act*.

## **Public Education**

5. The Government of Alberta should collaborate with industry, municipalities and consumers to support the development of consumer education programs that relate to each of the aforementioned categories.

The Appendices provide detailed background information on the development of these recommendations. Appendix 1 presents the findings of the Field Survey on Residential Construction Practices (August 2007) and Appendix 2 presents stakeholder input gathered at the consultation sessions and written input provided by stakeholders by October 31, 2008. This input is also summarized on page five.

# Background

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The damage that can result from improper construction of a home's outer wall and ceilings, known as the "building envelope," may lead to moisture penetration, substantial mould growth, and costly repairs. In response to homeowner concerns with the construction quality of their homes and moisture penetration, Municipal Affairs and the City of Calgary conducted a field survey on the quality of construction of new homes and condominiums.

The survey was conducted over August 14, 20 and 21, 2007, in Calgary where a broad sample of the issues could be observed. Twenty existing homes and condominiums that had experienced building envelope problems were examined along with several sites that were under construction. Observations from the survey were compared to the requirements of the Alberta Building Code and industry's moisture control program for improvement of stucco workmanship and prevention of moisture penetration.

None of the buildings that had envelope deficiencies were built in compliance with the Alberta Building Code. The survey indicated that the Alberta Building Code requirements remain appropriate.

The survey team also looked at broader issues facing residential construction. The study demonstrated a need for the provincial government, municipal government and residential construction industry to take steps to safeguard the quality and integrity of new home construction in Alberta.

As a result of this study, Municipal Affairs Minister Ray Danyluk asked the Parliamentary Assistant for Municipal Affairs and MLA for Edmonton-Castle Downs, Thomas Lukaszuk, to lead a consultation on residential construction practices in Alberta. The MLA-led Committee was struck in May 2008. Members included:

- **Thomas Lukaszuk, MLA for Edmonton-Castle Downs - Chair**
- Ivan Moore, ADM, Public Safety Division, Municipal Affairs
- Shirley Dul, ADM, Apprenticeship and Industry Training, Advanced Education and Technology
- Cathryn Landreth, ADM, Business Services, Service Alberta
- Brian Caruk, Assistant Chief Crown Prosecutor, Alberta Justice
- Arthur Hagan, Deputy Superintendent of Insurance Regulations and Market Conduct, Finance and Enterprise
- Brad Geddes, Deputy Superintendent of Insurance Policy and Communications, Finance and Enterprise
- James Orr, Director, Codes and Standards, Municipal Affairs
- Ata Khan, Chief Building Administrator, Municipal Affairs
- Jessica Spratt, Public Affairs Bureau, Municipal Affairs
- Allison Scott, Strategic Information Advisor, Municipal Affairs

In May 2008, the Committee met to discuss areas in the study findings that fall under members' departmental mandates. All involved ministries gave their support to consider changes within their areas of responsibility.

# Consultation Methodology

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On August 18, 2008, MLA Lukaszuk and ADM Ivan Moore met with a small group of citizens who had experienced building envelope issues in their homes. The purpose of this meeting was to identify what would have helped these citizens or could help others who might face the same problem.

On August 19 and 20, 2008, stakeholder consultation sessions were held in Calgary and Edmonton. The sessions were well attended by a broad spectrum of individuals representing municipalities, the AUMA, homebuilders, developers, warranty companies, building officials and the Safety Codes Council. (A complete list is available in Appendix 3.) All committee members or their representatives attended to observe and provide expert information when requested by stakeholders.

The Committee enlisted the assistance of a professional facilitator from the Ministry of Culture and Community Spirit with additional support from a professional facilitator from the Mediation and Dispute Resolution Unit within the Local Government Services Division of Municipal Affairs. This ensured the neutrality of the discussion. The stakeholder consultation plan was adapted for use during a separate session with affected citizens.

The consultation was formatted according to the themes identified in the findings of the Field Study on Residential Construction Practices: Accountability of the Construction Industry, Consumer Protection and Recourse, Appropriate Trades Certification and Skills Development, and Appropriate Inspection and Enforcement Processes. Stakeholders were asked to consider each of the strategies listed for the findings and identify benefits and implications.

Discussion determined that representative organizations needed additional time to consult with their membership. The Committee provided all stakeholders with a follow-up package including a list of attendees for each session and a document providing additional detail from the field study (Appendix 3). Stakeholders were given until October 31, 2008, to provide their written feedback to government.

# Summary of Stakeholder Feedback

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Stakeholder feedback from all consulted—homeowners, industry and government—is summarized as follows and includes written feedback received from stakeholders:

## **1) Accountability of the construction industry**

- a. Industry stakeholders agreed that overall professional accountability at the construction site, as it relates to workers skills, knowledge and supervision, should be improved. They specified that site superintendents need to be certified and held accountable for the quality and code compliance of work performed by construction workers.
- b. In relation to the accountability/involvement of professional engineers and architects, stakeholders clearly stated that it was necessary to distinguish between single-family and multi-family construction. Multi-family construction invariably involves professionals who carry accountability (engineers, architects) to provide code compliance, while single-family construction does not. Requirements for professional involvement in single-family construction would increase costs, and would not satisfactorily address the issues.
- c. Industry stakeholders suggested that the site superintendent should be required to sign a certificate of compliance for the building envelope.
- d. They also noted that there was a shortage/absence of building envelope specialists for single-family construction and that there was actually no such designation with clear competencies specifically defined.

## **2) Consumer Protection and Recourse**

- a. Warranties on new homes should be mandatory.
- b. There should be warranty coverage for the building envelope.
- c. Warranty coverage periods should be extended.
- d. Consumer information and education must be enhanced.
- e. There should be a public registry of builder performance/code violations, as Health and Wellness has for restaurant inspections.
- f. Performance bonds were not considered a meaningful or realistic way to provide assurance. Properly constituted and responsive warranty programs provide a better vehicle for protecting consumers.

## **3) Appropriate Worker Certification and Skills**

- a. Industry stakeholders supported the need to develop skill and knowledge requirements for site superintendents.
- b. Stakeholders identified and supported broader and more effective training for construction workers, site superintendents, engineers, architects, etc., to be updated on changes to building codes.
- c. Stakeholders identified and supported improvements to technology and code update training for safety codes officers.
- d. Stakeholders identified and supported a need to promote “residential construction” as a career path with attendant skills and competencies in order to attract and develop better skills, knowledge and professionalism in workers.

#### **4) Appropriate Inspection and Enforcement Process**

- a. Stakeholders agreed that there was a need to improve the quality of inspection in residential construction specifically related to the building envelope, but also related to other areas of code compliance and workmanship.
- b. Inspection regimes considered important by industry were not limited to safety codes officers (SCOs). They noted that SCOs cannot see everything, that timing is often an issue, and that the roles of superintendents, warranty inspectors and other inspectors within the industry need to be reviewed and significantly improved.

#### **Additional**

- a. Industry prefers an industry-driven solution, but recognizes the role of government to enforce requirements.
- b. Industry stakeholders identified the need to reconcile a potential issue in the resale of owner-built single-family homes to protect second owners from unprotected and potentially non-compliant homes. The owner-built approach may enable less reputable builders to avoid the accountability of warranty programs and other requirements imposed on professional builders.
- c. Stakeholders also identified the need for public education in all areas relating to residential construction.



# Recommendations

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The Committee on Residential Construction Practices believes that the following recommendations developed from the consultation process would significantly improve residential construction. Further consultation with the appropriate stakeholders should be undertaken by the lead ministries to determine the path forward:

## 1. Accountability of the Construction Industry

- a. **Builders should consider using qualified site superintendents for residential construction. The Government of Alberta, together with the residential construction industry, should explore the possibility of developing regulations requiring builders to have certified and qualified on-site superintendents.** In regulation, a permit (and subsequent inspection) does not guarantee quality of workmanship or products; a site superintendent would help to fill this gap for consumers and warranty companies. Engineers and Architects provide professional accountability on most multi-family residential construction sites. These professionals are not involved in most single family construction. The creation of a site superintendent program for residential construction not requiring professional involvement would clearly identify accountability. The superintendents would sign a certificate of compliance for critical elements of the building code such as the building envelope, on behalf of the builder. This would improve accountability on the construction site and support the work of building inspectors. A certification program for superintendents would be required.

## 2. Consumer Protection and Recourse

- a. **The Government of Alberta, industry, municipalities and consumer groups should consider mandatory third party insurance backed warranty programs for residential construction to improve and extend coverage.** A detailed and consultative approach with industry and stakeholders should be employed. To ensure industry has time to adapt to new requirements, any new program should be implemented within approximately two years. This will also ensure that warranty programs appropriately address homeowner and industry concerns and provide a consistent level of minimum coverage.
- b. **The Government of Alberta, together with industry, should examine the feasibility of issuing residential construction permits only to builders with third party insurance backed warranty coverage for the project or owner-builders who meet certain criteria.** Currently anyone can take out a permit for residential construction; the change would enable a reasonable level of improvement in the management and accountability of the industry to consumers.

## 3. Appropriate Worker Certification and Skills Development

- a. **With support from government, industry should develop and implement worker skill and knowledge programs.** While industry plays

the lead role in the development of programs and standards to improve worker skills and knowledge programs, the government would continue to work with industry to establish the training certification standards for workers and site superintendents in residential construction. Training and certification standards may increase the recognition of required skills; however, other mechanisms like warranty programs or licensing structures may be necessary to require workers to be trained or certified. The government would also support code-update training with affected industry partners.

#### 4. **Appropriate Inspection and Enforcement Process**

- a. **The Safety Codes Council should review the Quality Management Plan inspection requirements for building envelopes and consider flexible risk management approaches that would target building envelope inspections and other problem areas.** Employing a flexible risk management approach would help shift the focus of inspection to problematic areas requiring more attention as needed, making the system more responsive.
- b. **The roles and responsibilities of the safety codes officer (inspector) should be clarified for the public, industry and local government.** This will improve the consistency of application of the *Safety Codes Act*. Clarifying the powers and duties of a safety codes officer will assist the public, industry and local authorities in understanding the benefits and limitations of inspections and enforcement orders. It will also assist safety codes officers to better understand their own roles and responsibilities and enable more consistent application of the *Safety Codes Act*.
- c. **The role and responsibilities of those involved in residential construction should be clarified for the public, industry and local government to coordinate and encourage the safe management of their activities under the *Safety Codes Act*.** Persons involved in the system of residential construction could include warranty and insurance inspectors, builders and homeowners. Clarifying the responsibilities of the owner and identifying the persons with responsibility for compliance during the different phases of residential construction will improve public safety and encourage cooperation between all involved parties.

#### 5. **Public Education**

- a. **The Government of Alberta should collaborate with industry, municipalities and consumers to support the development of consumer education programs that relate to each of the aforementioned categories.** Consumer education programs should be developed and delivered immediately.

# Appendix 1: Findings of the Field Survey on Residential Construction Practices

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The following is the executive summary from the field survey conducted in August of 2007 on the quality of construction of new homes and condominiums.

## **Finding 1: Accountability of the Construction Industry**

**Builders, warranty programs and other construction stakeholders should adopt best practices and take greater responsibility for full compliance with the Alberta Building Code.**

- Improve and expand industry moisture control programs by involving the designers in the program and by using a building envelope specialist to approve building envelope work.
- Review the Warranty Programs on a regular basis, and consider revising the coverage for the building envelope beyond the norm of one year.
- Improve the process of supervision of sub-trades on residential projects.
- Engage the professional architecture and engineering associations to review the professional education schedules under the Alberta Building Code.

## **Finding 2: Consumer Protection and Recourse**

**Government of Alberta's ability to fulfill its administrative duty to protect the safety and welfare of Albertans should be enhanced.**

- Establish mandatory new home warranties.
- Compare, through Service Alberta, Alberta's consumer protection programs to those in other jurisdictions for residential construction, and determine the feasibility of increased protection for consumers from fraudulent or non-performing contractors and from inadequate warranty programs.

## **Finding 3: Appropriate Worker Certification and Skills Development**

**Existing training and apprenticeship programs should be reviewed. Alternatively, new training programs for workers in the residential construction industry should be developed.**

- Evaluate the skills and knowledge of the residential construction workforce in Alberta and determine whether new or enhanced programs are required.
- Make trades' workers more aware of training opportunities, and increase the use of certified trades' workers by the building industry.

#### **Finding 4: Appropriate Inspection and Enforcement Process**

**The Department of Municipal Affairs and the Safety Codes Council should review the effectiveness of municipal safety code inspections during the construction phase.**

- Analyze the issues related to the effectiveness of inspections, including those at the building-envelope stage of construction.
- Review the appropriateness of Quality Management Plans that govern the frequency, timing and scope of municipal inspections.
- Increase penalties for violations of the *Safety Codes Act* to make them effective deterrents to non-compliance with the building and other safety codes.
- Foster continuing cooperation among the residential construction industry, home buyers and municipal safety officials over the resolution of building-envelope disputes to reduce litigation and mitigate unsafe conditions.
- Develop interpretive and educational support for the correct application of the building envelope.

# Appendix 2: What We Heard

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The following summarizes homeowner and industry input on the findings of the Field Survey on Residential Construction Practices. All participants were given until October 31, 2008 to submit additional written feedback. Five stakeholders, including one building science specialist who did not attend the sessions submitted additional feedback. The comments and observations are consistent with what was heard at the stakeholder sessions and are incorporated into the summaries below.

## Homeowners

### **Finding 1 - Accountability of the Construction Industry**

The Government of Alberta and industry should consider:

- Performance bonding of contractors in the building industry.
- Mandatory employment of journeyman carpenters.
- Mandatory adherence to manufacturers' installation instructions.
- Better enforcement.
- Consumer representation on the Alberta New Home Warranty Program's board of directors.
- A publicly accessible list of builders with code infractions, including the nature of the infractions, so that consumers can research for themselves—similar to health inspection postings in restaurants.
- A “permit to practice” for builders, together with a requirement to provide a “certificate of compliance” to the owner on completion of the project.
- Mandatory occupancy permits that require the builder to certify compliance before the homeowner can occupy the residence. (Relates to pressure from builders to occupy as soon as possible and before completion.)

### **Finding 2 - Consumer Protection and Recourse**

The Government of Alberta should consider:

- Inspection reports and code compliance reports for the homeowner throughout construction and upon occupancy.
- The right for consumers to hire an independent inspector, empowering them to stop work if non-compliances are detected.
- Feasibility of an “unfunded liability” held in perpetuity by an independent third party to pay for repairs required by initial non-compliances.
- New home warranties with five years coverage on the building envelope.
- Removal of escape clauses from warranty package – “non-compliances will not be repaired unless there is a risk to life and/or health”.
- Common terminology in all warranty programs.
- A universal government-run home warranty program.
- Information resources publicized for the general public. (General comment that public does not know where to go to get info / support.)
- A public listing of “top 10 things to watch for” in home construction.
- More/better consumer education.

### **Finding 3 - Appropriate Worker Certification and Skills Development**

The Government of Alberta should consider:

- Requirement of journeyman carpenter status to take out a building permit.
- Better accountability trade-to-trade (i.e., prevent one trade from doing its work over another's errors or non-compliances.)

### **Finding 4 - Appropriate Inspection and Enforcement Processes**

The Government of Alberta should consider:

- When non-compliances are found, stopping a builder from starting any more projects until all outstanding code compliance issues are fixed.
- A system of escalating fines and inspections for poor performance.
- A risk-management approach where frequency of inspections for individual builders goes up with the numbers of non-compliances found.
- More frequent and longer inspections (10 minutes on site is not enough time for a thorough inspection.)
- More inspections at the critical points in construction – specifically with regard to the building envelope.
- Orders accompanied by fines per day until rectified.
- Fines “on-the-spot” for infractions.
- Better enforcement regarding use of non-approved materials and processes.

### **General Comments**

- Look at the BC system of licensing and performance bonding of builders.
- Look at Quebec system requirements around journeyman carpenters.
- Inspections of building envelopes are insufficient.
- Training and skills have not kept pace with new technology – general observation that one cannot install new materials in old ways.
- Assuming there is positive change, future will be OK, but what about existing problems?
- Whatever the Government of Alberta decides to do, it has to have “teeth”.
- Alberta New Home Warranty Program is there to protect the builder, not the owner.
- Canadian Home Builders Association “moisture smart” program is not being applied / implemented.
- Supply stores carry products which are not approved for use – but builders have access to them and use them. They shouldn't be able to buy anything that is not approved.
- “I would pay higher taxes for more inspectors”.
- “I would pay more and wait longer so long as it is built right”.

## **Key Stakeholders**

- In general, it was felt that the strategies identified in the Field Survey would benefit the construction industry by providing greater consistency. They would also benefit the consumer by providing methods of recourse and improved consumer confidence.



- Industry had many concerns relating to the cost that would be passed on to the consumer, the timing of inspections, and the availability of labour to get the work done.
- Clarity would be required to define building envelope and standards.
- Industry would like to see greater emphasis on education for builders, supervisors, and sub-trades, consumers, municipalities, and inspectors, but there are concerns about the time, cost and coordination implications associated with education programs, particularly for the trades.
- Universal application of warranty programs would level the playing field for industry and provide consumer reassurance.
- Government is trying to ensure that appropriate steps are taken to make improvements in the residential construction industry.

### **Finding 1 - Accountability of the Construction Industry**

Builders, warranty programs and other construction industry stakeholders should adopt best practices and take greater responsibility for full compliance with the Alberta Building Code.

#### Implications:

- Government would need to consider who would conduct the home warranty review and what the standards would be.
- Industry felt the costs of all the strategies and warranty changes would impact housing affordability, so the government must consider these costs and who would be responsible for them.
- Making a distinction between major and minor defects would help support consistent interpretation of the building code and provide increased consumer assurance.
- The cost of using professionals such as architects and engineers on single-family residential construction would be quite high. Single-family construction does not require the use of professionals, and it shouldn't be required.
- There could be backlash from self-regulating bodies, such as architects and engineers, which by legislation control the schedules.
- Industry felt that consumer responsibility in areas such as home maintenance needed to be considered.
- Discussion about the use of a building envelope specialist suggested that this role would be beneficial on the job-site and would need to be clearly defined in legislation or policy. This position could take the form of a supervisor, a safety codes officer or an inspector for the builder.
- The limited availability of building envelope specialists in the province would impact costs and timing for inspections.
- Industry believed that it would be important to provide ongoing education to site supervisors, but facilitating this would be challenging, as would ensuring the information flows down to make sub-trades accountable.
- Historically, there has not been any push to educate when new building codes are released; it is up to builders to ensure the education and understanding of workers.

- Moisture control programs have not been as successful as industry would have liked.

Benefits:

- The strategies would increase consumer confidence that work is being done right.
- Industry would benefit through a stronger understanding of how the parts of the building system interact.
- There would be consistent standards for all.
- Improved warranty coverage would give the consumer more opportunity for recourse.
- Mandatory warranty coverage would create a level playing field for all builders, and it would encourage industry involvement in home warranty programs.
- Engaging professionals such as architects and engineers in the design process for multi-family dwellings increases overall coverage, as these professionals carry their own liability coverage.
- Having building envelope specialists would result in a great deal of onsite knowledge and expertise.
- The strategies would improve knowledge of codes, including timely sharing of knowledge on new codes and improved knowledge for professionals.

New:

- Building systems should be identified for use in the climatic region they are to be used.

## **Finding 2 - Consumer Protection and Recourse**

Government of Alberta's ability to fulfill its administrative duty to protect the safety and welfare of Albertans should be enhanced.

Implications:

- If warranties are mandatory, insurance companies may need to be involved.
- Would warranty programs be involved in the inspection process?
- It was generally felt that the warranty provider should be able to refuse clients if they were non-compliant.
- Costs would increase, if warranty programs were extended.
- The government would need to consider if a warranty would transfer to a subsequent owner.
- The government would need to consider that a manufacturer's warranty may expire before the builder's home warranty and how to reconcile this issue.
- Stakeholders felt the province should look to other jurisdictions, such as British Columbia and internationally, but the province should also consider that warranty programs cannot be compared in isolation of codes. An Alberta-made program is required.
- It must be considered how warranty programs would apply to the single-home builder and renovation businesses.
- Participants were not against the idea of mandatory home warranty programs, as it would benefit the industry, but they would like to regulate themselves.
- There would be an opportunity to engage the public through a consumer education campaign about warranty programs and their own responsibilities.



- Warranty companies should provide more public education, as consumers believe that home warranty programs protect the builder, not the home owner.

**Benefits:**

- Mandatory home warranty would level the playing field for builders, and standardize warranty and special endorsement options.
- Mandatory home warranty would provide an opportunity to regulate entry into the industry. Problem builders could be excluded, and this would act almost as a licensing program.
- Mandatory home warranty would move us closer to having licensed bonded contractors, although some felt that this was too cumbersome a strategy.
- Consumers would be more aware of warranty programs and have increased confidence.

**New:**

- There would be consistency in minimum coverage.
- Mandatory home warranty programs would need a dispute resolution process.

### **Finding 3 - Appropriate Certification and Skills Development**

Existing training and apprenticeship programs should be reviewed. Alternatively, new training programs for workers in the residential construction industry should be developed.

**Implications:**

- Industry would like to see government, industry and educators collaborate more to engage young people and promote the industry as a great life-long work opportunity.
- There was concern that trades not designated specifically to the residential construction sector may not provide the appropriate attention to training.
- Industry was concerned about how to encourage workers and builders to support continuing education when the workers aren't paid while on training and homebuilders lose workforce capability.
- Educated workers may prove too costly for builders to employ.
- We need to consider a foreign-worker program and training of existing workers.
- There are a number of sources and options available to facilitate training, and industry finds it difficult to know whom to contact.
- Industry would like to see certification and training for superintendents and site supervisors. If the builder has someone trained and accountable, then the building envelope would be maintained.
- Stakeholders expressed an interest in moving towards recognition of certain short-term, entry-level or specialized courses.

**Benefits:**

- A review of the workforce strategy is long overdue and once completed would clearly define the needs of the industry.
- Certification would give workers something tangible to obtain.
- Certification would increase pride of workmanship which would result in a better product.
- Certification would reduce the number of incompetent workers.

# Appendix 3: Consultation Lists and Packages

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## **Facilitated Focus Groups**

Canadian Home Builders Association – Calgary  
Canadian Home Builders Association – Edmonton  
Canadian Home Builders Association – Alberta  
AUMA  
AAMD&C  
City of Calgary  
City of Edmonton  
Safety Codes Council  
Home Warranty Companies - National Home Warranty, Alberta New Home Warranty and Progressive Home Warranty  
Alberta Consumers Association  
Alberta Building Officials Association  
Alberta Association of Architects  
Canadian Condominium Institute North  
Canadian Condominium Institute South  
Canadian Association of Home and Property Inspectors - Alberta (CAHPI-Alberta)  
Calgary Better Business Bureau  
Better Business Bureau of Central and Northern Alberta  
CMHC

## **Prior to Focus Group Sessions**

Stewart Family  
Hnatiuk Family  
Ayelsworth Family

## Invitation Package

July 31, 2008

Dear \_\_\_\_\_,

In August 2007, Municipal Affairs and the City of Calgary conducted a joint field survey of the building envelope in single and multi-family dwellings. The survey was conducted in response to homeowner concerns with the construction quality of their homes due to moisture penetration of the outer wall and ceilings.

This field survey suggested a need to evaluate ways to improve four key areas:

- 1) Accountability of builders;
- 2) Consumer protection and recourse;
- 3) Technical skills of workers in residential construction; and
- 4) Inspection and enforcement under the *Safety Codes Act*.

Attached is a summary outlining these key areas for improvement.

To build on the work that has been done, Thomas Lukaszuk, Parliamentary Assistant for Municipal Affairs and MLA for Edmonton - Castle Downs will be leading a set of consultations. As a valued stakeholder in the residential construction industry, I invite you to select two representatives with expertise in these identified areas to participate in a consultation to help determine what action should be taken to improve the four key areas mentioned above.

Our government's focus is to identify the most practical and effective way to maintain the integrity of homes in Alberta and keep Albertans safe.

Details on the consultation session in Calgary are as follows:

When: Tuesday, August 19  
9:30 a.m. – 2:30 p.m. (lunch included)

Where: Holiday Inn, Calgary Airport  
1250 McKinnon Drive NE  
Echo Room

Please respond to this invitation by contacting Ms Allison Scott, Strategic Information Advisor, Alberta Municipal Affairs by August 13, 2008. Ms Scott can be reached at 780-422-8847 or [Allison.Scott@gov.ab.ca](mailto:Allison.Scott@gov.ab.ca).

Sincerely,

Ray Danyluk

## Follow-Up Package

September 08, 2008

Dear :

I am following up on our recent meetings regarding Residential Construction Practices in Alberta. During these meetings I had undertaken to provide you with a number of items and to provide associations with additional time to consult with their membership regarding the potential strategies you provided feed back on.

As promised, I have attached a list of the attendees at our stakeholder sessions in Edmonton and Calgary on the 19th & 20th of August, a compilation of "what we heard" at the sessions and some additional information on the survey conducted by Municipal Affairs during 2007. I would ask that you provide any further input to Mr. Ivan Moore, Assistant Deputy Minister, Public Safety Division no later than October 31, 2008 so that it can be fully considered by the committee in its deliberations. Mr. Moore can be reached at 780-427-1371 or [Ivan.Moore@gov.ab.ca](mailto:Ivan.Moore@gov.ab.ca).

I would like to thank you for your participation and thoughtful contribution to the work of the MLA Committee on Residential Construction Practices. I look forward to your additional input as we continue our work to safeguard the integrity of new home construction in Alberta.

Yours truly,

Thomas Lukaszuk  
Parliamentary Assistant  
MLA Edmonton-Castledowns

**Consultation Attendees**  
**Calgary August 19, 2008**

<b>Name</b>	<b>Organization</b>
Schuyler Wensel	Alberta New Home Warranty
Bruce Hall	Alberta New Home Warranty
Jim Bechtold	CMHC
Ray Windsor	National Home Warranty
Norm Ross	Canadian Home Builders Association – Calgary
Charron Ungar (Homes by Avi)	Better Business Bureau Calgary
Bruce Schultz	City of Calgary
Mario Civitarese	City of Calgary
Michael Ball	Condo Association
Shayne McKechney	Condo Association
Steven Quinn	SCC
Michael Nyikes	Canadian Homebuilders Association - Alberta
Donna Moore	Canadian Home Builders Association
Kathy Watson	Canadian Home Builders Association
Darcy Bruns	National Home Warranty
Thomas Lukaszuk	MLA and Parliamentary Assistant
Mark Douglas	Advanced Education and Technology
Brian Caruk	Alberta Justice and Attorney General
George Yates	Service Alberta
Brad Geddes	Finance and Enterprise
Ivan Moore	Assistant Deputy Minister, Municipal Affairs
James Orr	Director, Municipal Affairs
Ata Khan	Building Inspector, Municipal Affairs
Allison Scott	Strategic Information Officer, Municipal Affairs
Lisa Nicolson	Executive Assistant, Municipal Affairs
Mike Scheidl	Facilitator – Municipal Affairs

**Edmonton August 20, 2008**

<b>Name</b>	<b>Organization</b>
Schuyler Wensel	Alberta New Home Warranty
Ingo Vieghweger	Alberta New Home Warranty
Mark Brodgesell	City of Edmonton
Maurice Otto	City of Edmonton
Stanley Cullen	CMHC
Scott Lee	Safety Codes Council
Brian Alford	Safety Codes Council
Michael Nyikes	Canadian Homebuilders Association - Alberta
Kathy Watson	Canadian Homebuilders Association - Alberta
Darren Van Wart	Progressive Home Warranty
Lorrie Garrity	Progressive Home Warranty
Stephanie Betts	AAMD&C
Vince Laberge	Canadian Home Builders Association
Patrick Adams	Canadian Home Builders Association
Thomas Lukaszuk	MLA and Parliamentary Assistant
Mark Douglas	Alberta Advance Education and Technology
Arthur Hagan	Alberta Finance and Enterprise
George Yates	Service Alberta
Brad Geddes	Alberta Finance and Enterprise
Ivan Moore	Assistant Deputy Minister, Municipal Affairs
James Orr	Director, Municipal Affairs
Ata Khan	Building Inspector, Municipal Affairs
Allison Scott	Strategic Information Officer, Municipal Affairs
Lisa Nicolson	Executive Assistant, Municipal Affairs
Mike Scheidl	Facilitator – Municipal Affairs